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Montana
Office of Public Instruction
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DATE: September 2009

TO: Auditors of Montana School Districts

FROM: Rebecca Phillips

RE: School District Audits for FY 2008-09

We would like to inform you of the following issues which may impact the audits of Montana school districts for the fiscal year ended June 30, 2009.

Enclosed:

APPENDIX A Enrollment/ANB (See Compliance Supplement SD-1 page 15 of 60)

APPENDIX B Excess Reserve Changes from FY08 to FY09 Budgets (See Compliance Supplement SD-1 page 7 of 60)

Compliance Supplement for Audits of Montana Local Governments

Montana school district audits must be conducted in conformity with the Department of Administration *Compliance Supplement for Audits of Montana Local Governments*. The Compliance Supplement can be found at <http://doa.mt.gov/lgsb/Forms/AuditReviewProgram/default.mcp> .

American Recovery & Reinvestment Act (ARRA)

The American Recovery & Reinvestment Act of 2009 was signed into law by President Obama on February 17th, 2009. The overall goals of the ARRA are to stimulate the economy in the short term and invest in education and other essential public services to ensure the long-term economic health of our nation.

Four principles guide the distribution and use of ARRA funds:

- a. Spend funds quickly to save and create jobs.
- b. Improve student achievement through school improvement and reform.
- c. Ensure transparency, reporting and accountability
- d. Invest one-time ARRA funds thoughtfully to minimize the "funding cliff".

Quarterly reporting is required for transparency and accountability purposes under the ARRA. Quarterly reporting for these new funds will begin September 30th, 2009.

The Office of Management and Budget (OMB) has posted an addendum to the OMB Circular A-133 Compliance Supplement for the ARRA at

http://www.whitehouse.gov/omb/assets/a133_compliance/arra_addendum_1.pdf

American Recovery & Reinvestment Act (continued)

The ARRA has provided several new funding sources for school districts. The following is a breakdown of funds available for FY 2009:

ARRA IDEA Part B*

ARRA IDEA, Preschool*

ARRA Title I, Part A*

ARRA Impact Aid Construction Formula Grants

ARRA School Nutrition Equipment Assistance Grant

*Available upon completion of grant application by June 30th, 2009

There are no new grant requirements, but with the increase in grant funding in Title I and IDEA you should be familiar with the specific statutory and regulatory requirements for these grants.

Please see the OPI ARRA website for more information and allocations to school districts.

<http://opi.mt.gov/RecoveryAct/>

<http://www.opi.mt.gov/SchoolFinance/ARRA.html>

Accounting Guidance has been provided for the 2009 Legislative Session and the ARRA at the following link. http://www.opi.mt.gov/pdf/SchoolFinance/ARRA/Guidance_ARRA_V3.pdf

Request for Information – Standard Audit Contract

Please request information on Trustees Financial Summary and budget changes for a district or cooperative you plan to audit by sending written requests to: Donell Rosenthal, drosenthal@mt.gov, OPI, Box 202501, Helena, MT 59620-2501, or fax to (406) 444-0509. This step is required by the standard audit contract. You can list multiple schools on one request. Please list them by county as to help with the turn around of information. Please allow two weeks for response.

Report Covers

1. Please list the school districts common name (e.g. Cottonwood School)
2. If your organization has multiple offices in the state, please identify on the report cover or transmittal letter which office did the audit, including the telephone number, so we know who to contact with questions.

Submission of Audit Reports to the OPI

Montana Code Annotated 2-7-503 requires that a copy of the audit report be submitted to the OPI, regardless of the level of audit performed. Also include the districts audit response in the audit report. Please send a copy of the audit and available response to Rebecca Phillips, P.O. Box 202501, Helena, MT 59620-2501.

If you have any questions please contact me at (406)-444-0783 or rphillips2@mt.gov or Denise Ulberg at (406)-444-1960 or dulberg@mt.gov.

Supplemental Schedule

School District Number 2
County
Montana
SCHEDULE OF ENROLLMENT
For the Year Ended June 30, 2009

Fall Enrollment

Fall Per Enrollment

Audit Per

Elementary District

Reports

District Records

Difference

(a) Pre-Kindergarten	14	14	0
(b) Kindergarten Full	111	111	0
(c) Kindergarten Part	309	309	0
(d) Grades 1-6	2,280	2,281	+1
(e) Grades 7-8	786	784	-2
(f) Total Elementary (add lines a thru e)	3,500	3499	-1

Part-time students:

Per Enrollment Reports

Audit Per District Records

Difference

Grade	<180 hrs/yr	180-359 hrs/yr	360-539 hrs/yr	540-719 hrs/yr	<180 hrs/yr	180-359 hrs/yr	360-539 hrs/yr	540-719 hrs/yr	Difference
K- Full	0	0	0	0	0	0	0	0	0
K-Part	0	0	N/A	N/A	0	0	N/A	N/A	0
1-6	0	0	0	1	0	0	0	1	0
7-8	1	2	0	0	1	2	0	0	0

Fall Enrollment

Fall Per Enrollment

Audit Per

High School District

Reports

District Records

Difference

(g) Grades 9-12	1,193	1,194	+1
(h) 19 Year-olds included on line (f)	4	4	0
(i) Job Corps students included on line (f)	0	0	0

Part-time students:

Per Enrollment Reports

Audit Per District Records

Difference

Grade	<180 hrs/yr	180-359 hrs/yr	360-539 hrs/yr	540-719 hrs/yr	<180 hrs/yr	180-359 hrs/yr	360-539 hrs/yr	540-719 hrs/yr	Difference
9-12	3	7	6	12	3	7	6	12	0

Spring Enrollment

Spring Per Enrollment

Audit Per

Elementary District

Reports

District Records

Difference

(j) Pre-Kindergarten	21	21	0
(k) Kindergarten Full	114	114	0
(l) Kindergarten Part	305	305	0
(m) Grades 1-6	2,293	2,293	0
(n) Grades 7-8	788	788	0
(o) Total Elementary (add lines i thru l)	3,521	3,521	0

Part-time students:

Per Enrollment Reports

Audit Per District Records

Difference

Grade	<180 hrs/yr	180-359 hrs/yr	360-539 hrs/yr	540-719 hrs/yr	<180 hrs/yr	180-359 hrs/yr	360-539 hrs/yr	540-719 hrs/yr	Difference
K- Full	0	0	0	0	0	0	0	0	0
K- Part	0	0	N/A	N/A	0	0	N/A	N/A	0
1-6	0	0	1	1	0	0	1	1	0
7-8	3	1	1	0	3	1	1	0	0

Spring Per Enrollment

Audit Per

High School District

Reports

District Records

Difference

(p) Grades 9-12	1,865	1,865	0
(q) 19 Year-olds included on line n	4	5	+1
(r) Early Graduates (not included in n)	45	45	0
(s) Job Corps students included on line n	0	0	0

Part-time students:

Per Enrollment Reports

Audit Per District Records

Difference

Grade	<180 hrs/yr	180-359 hrs/yr	360-539 hrs/yr	540-719 hrs/yr	<180 hrs/yr	180-359 hrs/yr	360-539 hrs/yr	540-719 hrs/yr	Difference
9-12	5	5	7	6	5	5	7	6	0

The Montana Office of Public Instruction provides vision, advocacy, support, and leadership for schools and communities to ensure that all students meet today's challenges and tomorrow's opportunities.

Excess Reserve Changes Between 2008 And 2009

District	2008 Total Excess Reserves	2008 Budget Amendments	2009 Excess Used to Bypass Base	2009 Total Excess Reserves	2008 to 2009 Change
0009 Lima K-12 Schools	32,552.06	0.00	0.00	52,968.53	20,416.47
0098 Great Falls Elem	0.00	0.00	0.00	1,724,273.55	1,724,273.55
0099 Great Falls H S	0.00	0.00	0.00	962,347.53	962,347.53
0112 Belt Elem	0.00	0.00	0.00	266,311.39	266,311.39
0192 Custer County H S	62,083.63	0.00	0.00	113,792.96	51,709.33
0291 Winifred K-12 Schools	46,420.76	0.00	12,500.00	45,032.97	11,112.21
0522 Libby K-12 Schools	89,056.19	0.00	0.00	120,525.19	31,469.00
0527 Eureka Elem	3,369.86	0.00	0.00	5,722.45	2,352.59
0528 Lincoln County H S	20,506.14	0.00	0.00	44,519.29	24,013.15
0546 Ennis K-12 Schools	591,373.88	0.00	0.00	691,211.64	99,837.76
0547 Circle Elem	145,688.94	0.00	0.00	160,326.51	14,637.57
0566 Vida Elem	0.00	0.00	0.00	2,452.40	2,452.40
0674 Conrad Elem	72,598.32	0.00	10,834.52	157,040.02	95,276.22
0675 Conrad H S	57,135.02	0.00	0.00	157,787.70	100,652.68
0745 Sidney Elem	60,234.23	0.00	51,519.11	14,863.95	6,148.83
0746 Sidney H S	23,252.21	0.00	23,252.21	3,513.86	3,513.86
0790 Forsyth Elem	112,442.74	0.00	57,308.40	99,436.06	44,301.72
0791 Forsyth H S	123,141.93	0.00	0.00	174,294.93	51,153.00
0794 Rosebud Elem	15,111.93	0.00	0.00	19,113.61	4,001.68
0795 Rosebud H S	36,844.08	0.00	0.00	42,190.44	5,346.36
0796 Colstrip Elem	0.00	0.00	0.00	314,903.93	314,903.93
0797 Colstrip H S	0.00	0.00	0.00	243,115.47	243,115.47
0868 Melville Elem	7,444.44	0.00	7,444.44	19,544.70	19,544.70
0872 Greycliff Elem	25,000.00	0.00	0.00	27,043.56	2,043.56
0883 Choteau Elem	34,300.00	0.00	34,300.00	33,900.00	33,900.00
0884 Choteau H S	22,300.00	0.00	22,300.00	35,500.00	35,500.00
0890 Fairfield Elem	758.48	0.00	0.00	8,844.38	8,085.90
0891 Fairfield H S	0.00	0.00	0.00	8,115.88	8,115.88
0894 Power Elem	79,854.12	0.00	0.00	83,550.15	3,696.03
0895 Power H S	40,292.16	0.00	0.00	42,160.58	1,868.42
0903 Sunburst K-12 Schools	0.05	0.00	0.00	40,000.00	39,999.95
0915 Galata Elem	3,963.84	0.00	0.00	4,573.21	609.37
0935 Opheim K-12 Schools	5,355.97	0.00	5,355.97	3,965.06	3,965.06
0979 Broadview H S	39,596.53	0.00	0.00	44,299.01	4,702.48
1189 Hardin H S	9,557.65	0.00	0.00	12,352.24	2,794.59
Totals	1,760,235.16	0.00	224,814.65	5,779,593.15	4,244,172.64